



Utility Resource Services

April 14, 2004

Sent via FAX 602-352-2956

Ms. Jean Gray
Assistant Regional Manager
for Power Marketing
Western Area Power Administrator
Desert Southwest Region
P. O. Box 6457
Phoenix, AZ 85005-6457

Re: Comments on Western's March 31, 2004 Draft of Section 12 of Parker-Davis Project Contract Extension.

Dear Jean;

This letter is written on behalf of the Town of Fredonia. The latest draft of Section 12 by Western appears to have taken two steps back instead of one step forward. The biggest problem we have with Western's March 31, 2004 draft is paragraph 12.1. This language gives the administrator broad discretion as to who and how a contract can be terminated. The contractor has no idea what can trigger the big "IF". "IF" Fredonia joins or leaves a power pool does that trigger the "IF"? This language is much too vague and gives Western the ability to terminate contracts without giving the contractor any idea what triggers this decision.

We also support the comments submitted by the Colorado River Commission in its letter to you dated April 13, 2004.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard L. Darnall". The signature is fluid and cursive, with the first name "Richard" and last name "Darnall" clearly distinguishable.

Richard L. Darnall

cc: Mr. Greg Honey, President
Fredonia Utility Board